



USA Commercial Mortgage Company
 4484 S. Pecos Road
 Las Vegas, NV 89121
 (702) 734-2400
 NV MBL #333

FIRST TRUST DEED INVESTMENT

BORROWER Foxhills 216, LLC

Background Kent Hoggan has been a developer and home builder since 1973. Focusing solely upon the Western United States with over 50 successful master planned communities. Over 60% of these projects have been sold to national homebuilders under the name of Ridgecrest Homes

Equity The borrower currently has more than \$5.5 million in the project.

Guarantees The loan will be personally guaranteed by Kent Hoggan who has a net worth of approximately \$210 million as of September 30, 2005.

LOAN AMOUNT \$29,000,000

INTEREST RATE 12.5% (net). Interest is paid monthly for the term of the loan. An interest reserve for the term of the loan is included in the loan amount and will be placed in a reserve account held by a third-party project disbursement company and controlled by USA Capital.

LOAN-TO-VALUE Approximately 55% based on values of similar properties in the area. An appraisal has been ordered.

TERM 12 months, with two optional extension of six months, provided the loan is performing and no default has occurred, and subject to approval of USA Capital.

COLLATERAL First Deed of Trust on 987 acres generally known as Fox Hills Phase II, which is currently being planned for about 900 homes. This second phase of the master planned community is waiting for final entitlement approval, which we estimate to occur in Summer 2006. Merced County Board of Supervisors has already approved the Fox Hills Preliminary Package with a unanimous vote. The property sits directly on Interstate 5 as well as State Route 152. These arterials provide access to the metropolitan cities of Fresno, San Jose, & Modesto, California. The property is located in the county of Merced.

PROJECT This project is the second phase of the successful Fox Hills master planned community. It is currently planned to provide 3,100 homes, which when completed will comprise a mixture of high- and medium-density single-family homes, golf course with adjoining homes, and some attractive commercial acreage. It is expected the project will contain a community park and elementary school. National homebuilders have expressed interest in purchasing the bulk of lots in Phase I and are in negotiations to purchase the remainder of lots in Phase II.

USE OF PROCEEDS The proceeds from this loan will be used to acquire the remainder of the land acreage and water rights needed to complete the Fox Hills master planned community.

USA Capital is one of the nation's leading real estate lenders with more than \$700 million in assets under management. Founded in 1989, USA Capital is a licensed mortgage company that offers qualified investors an opportunity to participate in trust deed investments that are short term, provide returns of 11 to 12.5%, and are secured by real estate.



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MARKET AREA Situated among rolling topography and stunning views, Fox Hills promises to be one of the region's finest new communities. The majority of new residents are relocating to the area from San Jose, Salinas, Monterey, and Watsonville, many of whom are upgrading from their existing homes. Fox Hills is situated near the City of Los Banos, which provides day-to-day amenities that enhance the well being of residents including a diverse selection of restaurants, health care services, shopping centers, and education facilities.

EXIT STRATEGY The project is currently being pursued by large real estate syndicates. Property could be sold "as-is" for a substantial profit. Our borrower believes that profits can be maximized if he waits until completion of the property entitlements. The Borrower is currently working to complete all entitlements while simultaneously entertaining offers from potential buyers.

DATE January 4, 2006

CONTACT USA Capital
(702) 734-2400
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DISCLOSURES Money invested through a mortgage broker is not guaranteed to earn any interest or return and is not insured. Before investing, investors must be provided applicable disclosure documents. Past performance is not necessarily indicative of future results. All real estate markets can be negatively impacted by interest rates, availability of capital, supply and demand factors, and general economic conditions locally, regionally and nationally. Any investor should review this loan summary proposal with these risks in mind and base an investment decision on existing market conditions and potential changes in the economy, as well as his or her own personal investment objectives and risk tolerance.

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